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Contact: Committee on Oversight and Government Reform Press Office, (202) 225-5051

CHAIRMAN TOWNS CALLS FOR BANK OF AMERICA DOCUMENTS *Oversight*
Committee Chairman Seeks BOA Documents Related to Merrill Lynch Deal

WASHINGTON – U.S. Rep. Edolphus “Ed” Towns (D-NY), Chairman of the Committee on Oversight and Government Reform, today requested that Bank of America CEO Kenneth Lewis turn over documents related to Bank of America’s purchase of Merrill Lynch, as part of the Committee’s ongoing investigation. Chairman Towns has expressed his growing concern about how Bank of America’s purchase of Merrill Lynch evolved from a private deal to a \$20 billion taxpayer bailout.

“The further we go into this investigation, the more troubling it becomes,” said Chairman Towns. “As I have said from the beginning, the taxpayers have a right to know how they ended up on the hook for billions and how we fix this going forward. The only way to do this is to follow the facts wherever they lead us. We need to know exactly what Ken Lewis knew and when he knew it.”

When Mr. Lewis appeared before the Committee on June 11, 2009, he made a number of statements, regarding his knowledge of the financial losses at Merrill Lynch. The documents that the Committee requested today from Bank of America is expected to shed light on when Bank of America executives knew of the losses at Merrill Lynch and how they reacted to those losses. Excerpts of Mr. Lewis’ testimony are recorded below.

“In mid-December, I was advised that Merrill Lynch had significantly raised its forecast of its losses, and we contacted officials of the Treasury and Federal Reserve to inform them that we had concerns about closing the transaction.” (p. 24).

“In mid-December, the forecast losses [at Merrill Lynch] accelerated dramatically.” (p. 27).

“The losses [at Merrill Lynch] that were causing this forecast to increase were partly based on losses in November.” (p.30)

Mr. Lewis also stated during his testimony before the Committee, “I don’t decide on disclosures; we have securities lawyers, and many times they talk to external counsel.” (p. 84).

The Committee has held three hearings on the Bank of America-Merrill Lynch merger, receiving testimony from Kenneth Lewis, Federal Reserve Board Chairman Ben Bernanke and then-Treasury Secretary Henry Paulson. Chairman Towns also subpoenaed internal email communications and other documents from the Federal Reserve.

Three days ago, the SEC charged Bank of America with failing to disclose Merrill Lynch bonus payments in proxy statements that were issued by Bank of America in relation to its purchase of Merrill Lynch.

Chairman Towns’ letter to Mr. Lewis is attached.

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Documents and Links

- [Letter to Mr. Kenneth D. Lewis](#)